

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Industrial Promotion – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2005-2010 to M/s ITC Limited, Paperboards & Specialty Papers Division for their proposed unit at Nellipaka village, Ashwapuram Mandal, Khammam District – Sanction - Orders- issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Rt.No.916

Date:19-12-2008

Read the following:

1. From the Commissioner of Industries, A.P. Hyderabad SFS No. 15-1-7-1392, Dated. 12.10.2007.
2. Minutes of the State Investment Promotion Committee (SIPC) Meeting held on 02.09.2008.
3. Minutes of the State Investment Promotion Board (SIPB) Meeting held on 04.10.2008.

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ORDER:-

In the reference 1st read above, the Commissioner of Industries, Andhra Pradesh, Hyderabad has reported that M/s. ITC Limited, Paperboards & Specialty Papers Division, Secunderabad proposes to set up a new Mega Pulp and Paper manufacturing plant at Nellipaka Village, Ashwapuram Mandal, Khammam district, with an investment of Rs.1500 Crores and the capacity of the plant is 3,00,000 TPA of paper and 1,00,000 TPA of pulp. This project is expected to create employment for 2000 people both directly and indirectly and the investment plan involves investment of Rs.500 Crores in phase-I, which will be completed within five years after land allotment, and Phase-II another Rs.1000 Crores in a ten-year time frame planning to make this location a large industrial hub and requested the Government to extend the certain incentives for the proposed plant. The industry qualifies as Mega Project and line of activity Paper and Specialty paper is also eligible for incentives under Industrial Investment Promotion Policy 2005-2010 and requested the Government to take a view on the requests of the company.

2. In the reference 2nd read above, State Investment Promotion Committee (SIPC) has discussed the proposal of the Commissioner of Industries, Andhra Pradesh, Hyderabad and decided to place the matter before the State Investment Promotion Board (SIPB).

3. In the reference 3rd read above, the State Investment Promotion Board (SIPB) in its meeting held on 04.10.2008 observed that M/s. ITC Ltd. proposed to set-up a Paper Plant in tribal, backward and remote area of Khammam District with an investment of Rs. 1500 crores. After discussions, the Board has taken the following decisions.

1. Agreed to extend 50% reimbursement of VAT & CST for a period of 5 years since the proposed industrial unit is a Mega Project with an investment of Rs.1500 crores.
2. Agreed to exempt electricity duty for a period of 5 years from the date of commercial production of the unit on captive power generation for self-consumption.
3. In so far as water is concerned, Irrigation Department would accord permission to draw water from Godavari river at prevailing rates.
4. Agreed the proposal of Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation (APIIC) for providing degraded forestland adjacent to the existing unit in Sarapaka Village. The District Collector, Khammam and the Forest Department will identify alternate land for afforestation. The Andhra Pradesh Industrial Infrastructure Corporation (APIIC) shall coordinate for land allotment to the unit.
5. To extend all other incentives as per Industrial Investment Promotion Policy (IIPP) 2005-10.

P.T.O.

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4. Keeping in view of the above and also in the light of the recommendations of the State Investment Promotion Board (SIPB), Government after careful examination, hereby extend the following incentives to the proposed Paper and Pulp Plant at Nellipaka (Village), Ashwapuram Mandal, Khammam District by M/s. ITC Limited, Paperboards & Specialty Papers Division, Secunderabad under Industrial Investment Promotion Policy (IIPP) 2005-2010.

- 1) To extend 50% reimbursement of VAT & CST for a period of 5 years from the date of commencement of commercial production; and
- 2) To extend all other incentives as per the Industrial Investment Promotion Policy [IIPP] 2005-2010.

5. In respect of exemption of electricity duty to the unit, the Energy Department shall take necessary further action as per the recommendations of State Investment Promotion Board (SIPB).

6. With regard to provision of water facility to the unit, the Irrigation & CAD Department shall take necessary further action as per the recommendations of State Investment Promotion Board [SIPB].

7. In respect of allotment of alternate land to the unit, the Environment Forest Science & Technology (Forest) Department/the District Collector, Khammam/Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation [APIIC] shall take necessary action as per the recommendations of State Investment Promotion Board (SIPB).

8. The Commissioner of Industries, Andhra Pradesh Hyderabad shall take necessary action in the matter accordingly and intimate the status of progress of work on the proposed Paper and Pulp Manufacturing unit from time to time to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**B. SAM BOB,
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, Andhra Pradesh, Hyderabad
The Energy Department.

The Irrigation & CAD Dept. /The EFS&T (Forest) Dept.

The Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation, Hyderabad.

The District Collector, Khammam

M/s ITC Limited, through the COI, A.P. Hyderabad.

The Accountant General, Andhra Pradesh, Hyderabad

Copy to

The Accountant General, Andhra Pradesh, Hyderabad.

The Revenue (CT) Department.

The Commissioner of Commercial Taxes, Hyderabad

The Chairman & Managing Director, APTRANSCO., Hyderabad

The Managing Director, APCPDC Ltd., Hyderabad

The General Manager, District Industries Centre, Khammam District.

P.S. to Minister(Major Industries)

P.S. to Spl. CS, Rev. Dept./P.S. to Prl. Secy. to Govt., Rev.(CT) Dept.

P.S. to Addl. Secy. to CM/P.S. to Prl.Secy. (Irrigation) Dept.

P.S. to Spl.CS, Energy Dept./P.S. to Prl. Secy. & CIP/SC/SF

//Forwarded::By order//

SECTION OFFICER